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July 19, 2004

BY E-MAIL

Rick C. Chessen Associate Bureau Chief, Media Bureau Federal Communications Commission 445 Twelfth Street SW Washington, DC 20554

Re: <u>Ex Parte Presentation in MB Docket No. 04-68 (Digital Output Protection Technology and Recording Method Certifications: D-VHS)</u>

Dear Mr. Chessen:

This letter is in response to a question posed by Media Bureau staff to the Motion Picture Association of America, Inc. and its member companies (the "MPAA Parties") at a previous meeting. On that occasion, the staff asked the MPAA Parties to explain why the MPAA Parties support authorization of D-VHS for use with Marked and Unscreened Content. The answer is that D-VHS offers several characteristics that provide content rights-holders with a high level of comfort against the threat of unauthorized redistribution.

First, and most importantly, JVC has assured the content industry, in Article 1(D) of the D-VHS Beneficiary Agreement, that the technology will not be incorporated into general-purpose, enduser accessible, personal computer systems that may be compromised by software designed to intercept the digital content stream, alter the encoding or bit rate of the audiovisual content, and subsequently offer that content up for unauthorized redistribution.

Second, D-VHS recorder/players are equipped with cross-industry-approved digital inputs and outputs that securely transfer content in digital form from ATSC tuner/demodulators (if external to the D-VHS machine itself) or via secured digital connections within the machines if they have integrated ATSC tuners and demodulators.

Third, JVC evaluates D-VHS products from other manufacturers and verifies the compliance to the D-VHS standard including the copy protection system and approves their market introduction based on the evaluation result.

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Fourth, the D-VHS signals recorded on tape are extremely secure from tampering and access due to cryptographic processes that are applied to the signals, the advanced recording technology that is employed by D-VHS to place signals on the magnetic tape, and the fact that the entire technology is covered by several patents and trade secrets belonging to JVC which are controllable through licensing. JVC's licensing terms for other manufacturers specifies robustness and compliance rules that must be adhered to in order for those manufacturers to retain their ability to manufacture machines.

Fifth, D-VHS players do not support faster-than-real-time duplication (at least in forms available to consumers), which places a limit on anticipated large-scale unauthorized replication and redistribution.

Sixth and finally, D-VHS machines are self-contained mechanical and electrical devices whose internal components are not designed to be made available to consumers. There are no accessible internal connectors nor signal pathways intended for consumer access.

We hope this answers the Media Bureau's question. Please contact the undersigned if you require any further information on this matter. In accordance with Section 1.1206 of the Federal Communications Commission rules, one copy of this letter is being filed electronically with the Secretary for the Commission.

Sincerely,

Borce E. Boyden

Bruce E. Boyden

cc: Marlene H. Dortch, Secretary (via ECFS)

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